

AR45

**CONSOLIDATED
NICHOLSON
MINES LIMITED**

A N N U A L R E P O R T

1966

CONSOLIDATED NICHOLSON MINES LIMITED

<i>Directors</i>	<p>N. B. KEEVIL JR., M.Sc., Ph.D., P.Eng., Toronto, Ontario <i>Vice-President, Exploration, Teck Corporation Limited</i></p> <p>SIR MICHAEL BUTLER, Bt., Q.C., Toronto, Ontario <i>Partner, Edison, Aird & Berlis</i></p> <p>D. A. PERIGOE, Toronto, Ontario <i>Vice-President, Gardiner Watson Limited</i></p> <p>J. H. WESTELL, Islington, Ontario <i>Executive Vice-President, Keevil Mining Group Limited</i></p> <p>J. L. MAY, B.Sc., P.Eng., Willowdale, Ontario <i>General Manager, Geophysical Engineering & Surveys Limited</i></p>
<i>Officers</i>	<p>N. B. KEEVIL JR., <i>President</i></p> <p>J. H. WESTELL, <i>Vice-President</i></p> <p>J. A. S. GIBSON, <i>Secretary</i></p> <p>D. S. BROWN, <i>Treasurer</i></p>
<i>Head Office</i>	<p>Suite 1000, 11 Adelaide Street West Toronto, Ontario</p>
<i>Transfer Agent and Registrar</i>	<p>CROWN TRUST COMPANY 302 Bay Street, Toronto, Ontario</p>
<i>Auditors</i>	<p>THORNE, MULHOLLAND, HOWSON & MCPHERSON Toronto, Ontario</p>
<i>Annual Meeting</i>	<p>April 27, 1967, 3:00 p.m. (Eastern Standard Time) Suite 1000, 11 Adelaide Street West, Toronto, Ontario</p>

CONSOLIDATED NICHOLSON MINES LIMITED

REPORT OF THE PRESIDENT

TO THE SHAREHOLDERS:

We are pleased to submit the annual report for the year ended December 31, 1966 with financial statements as reported by the auditors.

On October 7, 1966 Consolidated Nicholson acquired an option to earn a 50% interest and operating control in 24 mining claims in Gaspé, Quebec. These claims cover the contact of the Tabletop granite with altered hornfelsic sediments immediately northeast of the Wexford orebody, as shown on the map. Very little work has been carried out in this area in the past, the main activity having been to the south and east around Terra Nova and Gaspé Copper. However, the company's consultants report continuation of the alteration halo across these claims and, because of the recent discovery at Wexford, recommend a programme of mapping, prospecting and geochemical sampling. This will be carried out during the early part of the field season, leaving ample time for further work if it is warranted.

Induced polarization and soil geochemical surveys were carried out on the previously acquired Gaspé property, and one hole was drilled on an IP anomaly. This returned only minor values in copper and zinc. Several other targets remain to be drilled and it is planned to test these during 1967.

No work was done on the Timmins and Athabasca properties, but in view of the increased interest in uranium exploration, consideration is being given to renewed work on the latter.

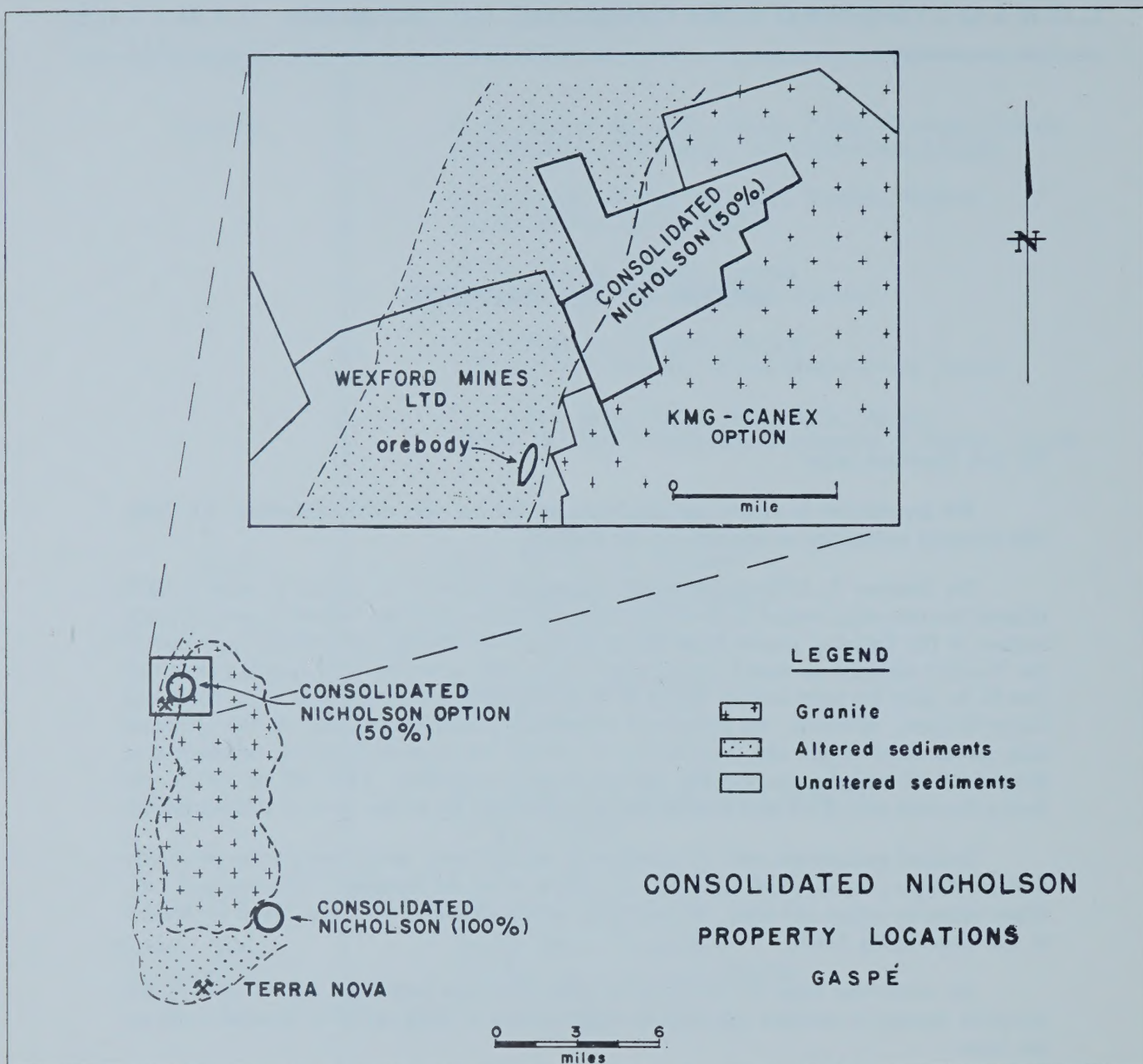
At the year-end, the company had working capital of \$66,000. This will be ample for the work planned in Gaspé and will provide the company with sufficient funds to follow this up if warranted.

On behalf of the Board,



N. B. KEEVIL JR.
President

April 3, 1967



AUDITORS' REPORT

To the Shareholders of
CONSOLIDATED NICHOLSON MINES LIMITED:

We have examined the balance sheet of Consolidated Nicholson Mines Limited as at December 31, 1966 and the statements of deferred expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned financial statements present fairly the financial position of the company as at December 31, 1966 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 28, 1967.

THORNE, MULHOLLAND, HOWSON & MCPHERSON,
Chartered Accountants.

CONSOLIDATED NICHOLSON MINES LIMITED

Incorporated under the laws of Ontario

BALANCE SHEET—DECEMBER 31, 1966

(with comparative figures for 1965)

ASSETS			
CURRENT ASSETS		1966	1965
Cash		5,201	14,387
Short-term deposits		70,000	40,000
Accounts receivable		301	148
		<u>75,502</u>	<u>54,535</u>
Investment, at cost (no market value)		50	50
Mining claims and leases (note 1)		<u>34,126</u>	<u>26,626</u>
Deferred expenditures			
Exploration		31,989	9,476
Administration		21,925	16,855
		<u>53,914</u>	<u>26,331</u>
Buildings and equipment, at nominal value		1	1
		<u>\$ 163,593</u>	<u>\$ 107,543</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		8,859	
Work advances			5,309
		<u>8,859</u>	<u>5,309</u>
SHAREHOLDERS' EQUITY			
CAPITAL STOCK (note 2)			
Authorized, 6,000,000 shares of no par value			
Issued, 5,164,003 shares (4,814,003 shares in 1965)		1,690,620	1,638,120
Deficit		1,535,886	1,535,886
		<u>154,734</u>	<u>102,234</u>
		<u>\$ 163,593</u>	<u>\$ 107,543</u>

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board:

N. B. KEEVIL JR., Director.

J. H. WESTELL, Director.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1966

1. MINING CLAIMS AND LEASES:

Acquired to December 31, 1965 at the consideration given therefor, consisting of		
150,000 shares of capital stock valued at	8,625	
Cash	<u>18,000</u>	26,625
Recorded at nominal value		1
		<u>26,626</u>
Option acquired during 1966 for cash (see below)		7,500
		<u>\$ 34,126</u>

In order to exercise the option purchased during the year, the company's portion of further payments are required as follows: \$7,500 on or before October 1, 1967; \$2,500 on or before June 30, 1968; \$2,500 on or before December 31, 1968; \$5,000 on or before August 31, 1969.

If the option is exercised, these claims are to be transferred to a company to be incorporated and 250,000 shares of that company are to be issued to the optionors.

In addition to the above, the company shall be required to have expended during the period of the option a minimum sum of \$50,000 on prospecting, exploration and development work for which it is to receive 250,000 shares of the new company.

2. CAPITAL STOCK:

During the year the company issued 350,000 shares of capital stock for a total cash consideration of \$52,500.

CONSOLIDATED NICHOLSON MINES LIMITED

STATEMENT OF DEFERRED EXPENDITURES

Year ended December 31, 1966

EXPLORATION

Balance at beginning of year		9,476	
Expenditures during year			
Diamond drilling	9,867		
Engineers' and geologists' fees and expenses	1,853		
Surveys and linecutting	7,404		
Miscellaneous	3,389	22,513	31,989


ADMINISTRATION

Balance at beginning of year		16,855	
Expenditures during year			
Head office administration	2,400		
Legal and audit	2,534		
Shareholders' information expenses	1,010		
Transfer agent's fees	1,741		
Miscellaneous	870		
	8,555		
Deduct interest income	3,485	5,070	21,925
			<u>\$ 53,914</u>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1966

Working capital at beginning of year		49,226	
SOURCE OF FUNDS			
Proceeds from issue of capital stock		52,500	
APPLICATION OF FUNDS			
Purchase of 50% interest in mining claims	7,500		
Deferred expenditures	27,583	35,083	
Increase in working capital		17,417	
Working capital at end of year		<u>\$ 66,643</u>	
Current assets		75,502	
Current liabilities		8,859	
		<u>\$ 66,643</u>	



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